Sectt. II-27—50,000—23/11/42.

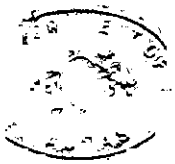
Revenue (1943 **Department.**

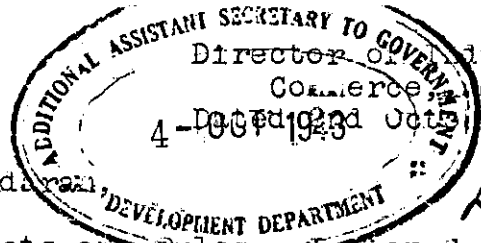
G.O. No.

18/12/165

[Desnatch Abstract.]

Acts and Rules - Sugarcane Act - Hospet controlled area (Bellary District) - Fixation of price 1942-43 - Definition of the term 'Average price -Amendment - Issued.





Director of Industries and
Commerce, Madras,
Dated 2nd October, 1943.
4-OCT 1943

My dear Sundaram,

Dev 30826 III

Sub: Acts and Rules - Indian Sugar Cane Act
Hospet Controlled area - Price of sugar
Fixation.

P.139 (Fat (B)

Ref: Government Memorandum No.29323 AII/43-1
dated 30th September 1943.

With reference to our telephonic conversation this morning, I would point out that the Sales Tax is, contrary to the practice obtaining in previous years, being collected now by the Hospet factory from dealers in accordance with the permission given by the Sugar Controller for India. This point has been explained by the factory management in their letter dated 11th September 1943 copy of which has been communicated to Government. In view of this, there is no case for excluding sales tax from the ex-factory price.

2. There is, however, one item of expenditure which is new and which is being incurred on account of the control measures enforced by Government and that is as regards the interest paid by the factory to the Imperial Bank of India, with whom sugar stocks have been pledged by the factory. There is no provision, however, under the notification of Government to exclude this item of expenditure. I suggest that a provision to this end be made, and the notification modified accordingly. I would just add that the original notification of Government was issued on the basis of facts as they existed at that time. It appears to me that since facts have changed, the notification should be revised and not facts squared with obsolete orders.

Yours sincerely,

A Krishnan

R.M. Sundaram Esq., I.C.S.,
Addl. Secretary to Government,
Development Department, Madras.

10 115

When D-I C's DO is submitted for perusal. Further connection allusion is invited to pp 9-11 of C.F and pp 13-17 of N.F of Gp No 41 (M). dtd 18-1-43. Nor orders whether the position taken by Govt may be explained to the D-I-C. ~~Subject to~~ ~~a draft DO is submitted~~ or whether the DO may be amended accordingly.

8/10/43.

24 Sept 43

I shall let order hold good amended after D-G if necessary

GxMS

Dev.Dept.

O.M.No. 30826 A II/43-2 dated 29. October 1943.

Sub: Acts and Rules - Indian Sugarcane Act - Hospet controlled area - ~~Price of sugar~~ (Bellary dt.) - Fixation ~~of~~ Price season 1943-45 - Defining zones for ~~average~~ Price - Amendment issued.

Ref: G.O.Ms.No. ~~Dev.~~ 43(1) Dev. dated 18-1-1943.
From ~~M.Khaleel~~, I.C.S., ~~D.C.~~ No.228-A/43, dated ~~2-10-1943~~. 5.8.43 - 22.9.43

The appended notification will be published in ~~an~~ extraordinary ~~issue of~~ the Fort St.George Gazette and in the Bellary District Gazette.

2. The D.A / Collr.of Bellary. is requested to give wide publicity to the notification in the important sugarcane growing areas of the Hospet taluk through the District Agrl. Officer, Bellary subordinates of the Revenue Dept. in the Dist.

3. The D.A. is requested to submit with his remarks objections to the notification, if any, received by him, not later than three days from the latest date fixed for the receipt of objections.

To the D.A. (~~with copies~~)
the D.I.&.C.
the Collr.of Bellary.
the S.G.P. for publn.
~~of~~ the notifn.

Appendix.

The following draft of a notification which it is proposed to issue in exercise of the powers conferred by sub-section (2) of section 3 of the Sugarcane Act, (1934) (XV of 1934) is hereby published, as required by section 4 of the said Act, for the information of all persons likely to be affected thereby. Notice is hereby given that the draft notification will be taken into consideration on or after the 2nd Dec. 1943 and that any objection or suggestion with respect thereto which may be received from any person before the date aforesaid will be considered by the Govt. of Madras. Objections and suggestions should be sent through the Director of Agriculture, Madras.

Notification.

In exercise of the powers conferred by sub-section (2)

of section 3 of the Sugarcane Act, 1934 (XV of 1934), His Excellency the Governor of Madras is hereby pleased to make the following amendment to Development Dept. Notification No.27 dated the 18th January 1943 published at pages 63-64 of Part I of Fort St.George Gazette dated the 26th day of January 1943.

The amendment hereby made shall be deemed to have been made and to have come into force on and from the 1st December 1942

Amendment.

In the said notification, for paragraph (2) of the Explanation the following paragraph shall be substituted, namely:-

"(2) The average price of white sugar shall be the average ex-factory price realized for one ton of white sugar excluding excise duty and interest paid by the factory on loans raised by it on the security of stocks of white sugar but including commission to selling agents and sales tax during the period commencing on and from the 1st December ~~1942~~ 1942 till 15th June 1943."

Amendment to notification regarding fixation of price of sugarcane in Hospet Controlled area.

Fort St. George, October 29, 1943.

No. 659.—The following draft of a notification which it is proposed to issue in exercise of the powers conferred by sub-section (2) of section 3 of the Sugarcane Act, 1934 (XV of 1934), is hereby published, as required by section 4 of the said Act, for the information of all persons likely to be affected thereby. Notice is hereby given that the draft notification will be taken into consideration on or after the 2nd December 1943 and that any objection or suggestion with respect thereto which may be received from any person before the date aforesaid will be considered by the Government of Madras. Objections and suggestions should be sent through the Director of Agriculture, Madras.

NOTIFICATION.

In exercise of the powers conferred by sub-section (2) of section 3 of the Sugarcane Act, 1934 (XV of 1934), His Excellency the Governor of Madras is hereby pleased to make the following amendment to Development Department Notification No. 27, dated the 18th January 1943, published at pages 63–64 of Part I of *Fort St. George Gazette*, dated the 26th day of January 1943.

The amendment hereby made shall be deemed to have been made and to have come into force on and from the 1st December 1942.

AMENDMENT.

In the said notification, for paragraph (2) of the Explanati the following paragraph shall be substituted, namely:—

"(2) The average price of white sugar shall be the average ex-factory price realized for one ton of white sugar excluding excise duty and interest paid by the factory on loans raised by it on the security of its stock of white sugar but including commission to selling agents and sales tax during the period commencing on and from the 1st December 1942 till 15th June 1943."

Part I of the
Extract from Fort St. George
Gazette dated 2.11.43 - Page 96

Memorandum No 30826 A II/43-3 dated ~~29.10.4~~ 4.12.4-

Acts and rules - Indian Sugarcane Act - Hospet Controlled area. Bellary Dt - Fixation of price 1942-43 season - Definition of term "average price" - Amendment

Ref: This Dept memorandum No 30826 A II/43-2 dated 29.10.

The attention of the DA is invited to the memo cited above and he is requested to ~~Short~~ submit its objections/remarks ~~reply may be expected~~ as soon as possible

Yours

To
The DA
R. 12.12.43

AGRICULTURAL DEPARTMENT

FROM
P.H. Rama Reddi, Esq., I.A.S.,
Director of Agriculture,
Madras.

To
The Secretary to
Government, Development
Department, MADRAS.

12220

Dev. Dec. 1636/43 dated 6th December '43.

Sir,

Sub: ACTS AND RULES - Indian Sugarcane Act - Hospet controlled area (Bellary District) - Fixation of price - 1942-43 season - Definition of the term of average price - Amendment.

Ref: Government memorandum No.30826 A.II/43-2 dated 29th October 1943.

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I have received no objection or suggestio with respect to the draft notification issued in the memorandum quoted above. I recommend that the draft be

--2--

confirmed.

Your obedient servant,

for DIRECTOR OF AGRICULTURE.

RB.7.12.A

7.12.

Development Dept.

Acts and Rules-Sugarcane Act-Hospet controlled area (Bellary Dt.)-Fixation of price 1941-42 season-Definition of the term 'average price'-Amendment -Issued.

****

Read again: G.O. M.S. No.41(M) Development dated 18-1-43.

Read also: From the D.I.& C. No. 228 A/43 dated 5-8-43 dated 22-9-43
~~(From the D.A. No. C. 1636/43 dated 6-12-43)~~
Govt Memo No 30826/VII/43-2 dated 29.10.43
From the DA No C 1631/43 dated 6.12.43

ORDER NO 4111 M.S. DATED. 18-12-43

In Development Dept notification No. 659 dated 29-10-43, publish at page 949 of Part I of the Fort St. George Gazette dated 2-11-43, the Govt of Madras published under section 4 of the Sugarcane Act a draft amendment to Development Dept notification No. 27 dated dated the 18th January 1943 published at pages 63-64 of Part I of the Fort St. George Gazette dated the 26th of January 1943. ~~(No objections have been received for the proposed draft amendment)~~. H.E. the Governor of Madras having received no objections to the proposed amendment is now pleased to confirm the notification as appended to this order. It will be published in the Fort St. George Gazette and Bellary Dt. Gazette.

2. The D.A./Collr of Bellary is requested to bring the contents of the notification to the notice of the ryots in important sugarcane areas in Hospet taluq.

3. The D.I.& C is requested to determine the average price of white sugar in accordance with the amendment now issued during the period from 1-12-42 to 15-6-43 and to publish ~~(a revised notification of the average price of white sugar and publish it)~~ under his authority at the office of the Tahsildar of Hospet, a notification of the average price of white sugar

To
The DA
D I & C
Collr of Bellary
S.G.P. for publn in the F.S.G. Gazette

NOTIFICATION.

In excercise of the powers conferred by sub-section (2) of section 3 of the Sugarcane Act 1934 (XV of 1934) H.E. the Governor of Madras is hereby pleased, after previous publication as required by section 4 of the said Act, to make the following amendment to Development Dept notification No. 27 dated the 18th January 1943 published at pages 63-64 of Part I of Fort St George Gazette dated the 26th day of January 1943.

The amendment hereby made shall be deemed to have been made and to have come into force on and from the 1st December 1942.

Amendment.

In the said notification, for paragraph (2) of the Explanation the following paragraph shall be substituted, namely:-

"(2) The average price of white sugar shall be the average ex-factor price realized for one ton of white sugar excluding excise duty and interes paid by the factory on loans raised by it on the security of its stock of white sugar but including commission to selling agents and sales tax during the period commencing on and from the 1st December 1942 till 15th June 1943."

Note put up

Subj:- Revised Rules - Judicial Sugarcane Price Control Hospet Controlled area - Price of Sugar - Fixation 1942-43 season - Memorandum.

Lr. No. 30826 AII/42 - from Mr. P.K. Kabali I.C.S. dt. 20.11.42

228-A/43 dt 2-10-43.

To P.S. to Secretary

With reference to P.S. to Secretary's note cup 2 above the following note is submitted.

2. In G.O. Ms No 41 (Rev) dated 18-1-43 the Govt fixed for the 1942-43 season the minimum price of sugar cane in the Controlled area of Hospet Revenue Taluk of the Bellary district at Rs 16/- per ton of foreign varieties and Rs 15-6-0 per ton of local varieties if the average price of white sugar was Rs 320/- or less per ton with a deferred bonus of 9.6 pies per ton of foreign varieties and 8.6 pies per ton for local varieties of cane for every rupee increase of average price of white sugar above Rs 320/- per ton. The average price was defined as the average ex-factory price realised for one ton of white sugar excluding excise duty and sales tax but including Commission to selling agents during the period commencing from 1-12-42 till 15-6-43. The D.I.G. was asked to determine the average price in

in accordance with the instructions laid down in the G.O. referred to above. But the auditors of the India Sugars and Refineries Ltd, Hospet calculated the average price of white sugar at Rs 336-10-8 per ton excluding Excise duty and interest but including Sales Tax and Commission. The D I T C had no objection to fix the average price at Rs 336-10-8 per ton as calculated by the auditors and enquired whether the Govt proposed to modify the G.O. at (B)

3. The justification for calculating the average price of white sugar at Rs 336-10-8 per ton was reported as follows:-

Exclusion of interest. Reference is solicited to portion A on p 108 of CF of 58 at (B) The Company actually incurred the expenditure of Rs 12 33-15-0 being interest paid to the Imperial Bank, Hospet, on the Cash Credit account and the amount should, therefore, be excluded from its receipts and therefore from the average price realised.

Exclusion of Sales Tax. Reference is solicited to portion B on p 108 of CF at (B). The Company actually recovered from the

dealers the bulk of the sale tax payable by it and, therefore, this item should be excluded in the average price. The Govt declined to modify the explanation referred to 'D' on p 92 of Go at (B) as neither the factory nor the sugar cane grower earned the loss by adhering to the statutory basis of calculation (for the exclusion of interest and inclusion of 'sale tax' more or less offset each other. The Govt also considered that the exclusion of interest from price realised might create an inconvenient precedent. The D I & E was therefore informed that the Govt did not consider it necessary to modify the previous order. The D I & E again raised this question by forwarding a copy of the Company's letter on p 10 S.C.F and he was again informed that the Govt saw no reason to reconsider their previous decision. The D I & E has come up now for the third time on the same question.

It is submitted that, if the proposals of the D I & E are accepted, the result will be that explanation (2) on p 92 C.F of Go at (B) will have to be amended as follows: for purposes of arriving at average price the ex factory price should exclude excise duty and interest and include

Commission and sale tax. The average price will then have to be fixed at Rs 336-10-8 per ton of white sugar (the amendment to have retrospective effect) for orders whether the explanation (2) or p 92 C F 9,80 at (3) may be amended. If so a draft memo amending explanation (2) referred to above is submitted for consideration. If approved the file may be sent to Legal Dept for scrutiny of the draft memo.

LEGAL DEPARTMENT.

Legal Dept

The slight alterations indicated in red ink on the draft notification may be made.

ASSISTANT SECRETARY
18 OCT 1943
LEGAL DEPARTMENT.

Note from p 3 may be perused. The draft below is for approval. The Case may now be circulated for orders. Legal U.O. No. 664 dt 22-10-43.

- please see Addl Secy's note on p 2 ante.

ADDITIONAL ASSISTANT SECRETARY TO GOVERNMENT
23 OCT 1943
DEVELOPMENT DEPARTMENT

Memorandum No 3082-6 AII/43-2-87 25-10-43. p/l - c.f.

From the DA C 1636/43 dated 6-12-43 p/7-8 c/

Reference is solicited to the DA's letter cited above. The DA states

3082 bdm

objections have been received ~~for~~ the purpose
draft amendment and suggests that it
be confirmed For orders whether a notification
may issue to that effect confirming the amendment. Subject to orders a draft
order is submitted for approval

13/12/43 13/12/43

14/12/43

#4

Issued as G.O.No. 4111 Dev dated 14.12.43.